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My name is Larry August. I am a director and partner in Avalon Films, the largest commercial production company in Michigan for the past 20 years. We shoot the “Pure Michigan” and the “MEDC- Jeff Daniels” campaigns for the State, as well as many projects for the “American Three” and others.

I’m also a partner in S3 Entertainment Group, a film production company, based in Ferndale with offices in Los Angeles. Our first project in 2008 was Clint Eastwood’s “Gran Torino.” Since then we’ve brought three projects to Michigan — “The Irishman” starring Val Kilmer and Christopher Walken, “Little Murder” starring Josh Lucas and Terrance Howard, and the ongoing television series “The Wannabes” which is based in Howell. We’ve worked as co-producers or producers on these projects.

Each of these projects was planning to go to a different State. We convinced them to come to Michigan, based on the 40/42% incentive. Hundreds of jobs were newly created directly by these productions.

We also operate the FIT Film Industry Training program in partnership with Oakland Community College, where we have trained approximately 300 students. As part of our program, every trainee receives at least one internship on a film or television project and then has the opportunity to leverage that into a paid position. Many of our students — unemployed or underemployed workers from the auto industry as well as recent college grads — have found new, good paying positions in the film industry. These jobs wouldn’t exist without the incentive.

The political rhetoric during the last year has mischaracterized the film incentive. It is primarily an incentive for local job creation and small business growth. Most of the budget for each film is re-circulated within the State of Michigan. This would include the local hires on each project as well as the local businesses that are servicing each production. Hotels, car services, rental companies, dry cleaners, local retail, restaurants, lumber yards, and many, many more.

As an example, on The Wannabes, we hired a local restaurant in Howell to handle the catering for the production. This was new business for the restaurant. They had to hire employees. They had to order a lot more food from local purveyors. And so on. None of this would have happened without the production and the incentive.

The productions that come to Michigan absorb the excess capacity and many unused or underused assets that we have in the State. This includes unemployed or underemployed workers. And unused hotel rooms, empty office space and warehouses, underused editing facilities, and more. These unproductive assets are suddenly productive again as a result of the film productions.

The film incentive is the only State incentive that I am aware of where millions of dollars must be spent in Michigan by a producer before that producer may receive a benefit nine or 12 or 24 months later. The film incentive is the only incentive where upon its announcement, immediately generated new economic activity for the State. Within a week of its announcement, several Hollywood productions were already on the ground spending money and hiring local workers. I know workers who were hired as a result of the incentive, that were able to save their houses from foreclosure. I have seen new companies launched. New workers trained. And permanent, good paying jobs created.

In our experience dealing with film productions, we know that they want to hire locally and use local services. Why? It is cheaper. And the incentive is better.

The film activity is just about the only good news regarding job creation that we've had in our State over the last couple of years. The amount of positive attention Michigan has received from films like Gran Torino, Whip It and it's involvement in the film business help to counter the other, more negative image that Michigan receives as a result of the problems in the industrial economy.

In terms of the incentive, it is important that before any changes are made, we can objectively, in a non-partisan way (if that is possible) measure the economic impact of the program.

Right now, we have the best incentive in the US. It's important we keep it that way for several reasons: First, there's a lot of competition from states like Georgia, Louisiana, New Mexico and others. Second, our crew base and infrastructure is still growing but remains behind these other States. Also, like it or not, we have to compensate for the weather and other logistical issues, particularly in light of the current lack of infrastructure.

Every film we lose to one of those States means fewer jobs in Michigan.

The incentive is working. It continues to create good paying local jobs and growing small businesses. Thanks for your time.